Smuggling activities in the country

730. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that Malboro, Bensen and Hedges and 555 cigarettes are being smuggled into the country in the name of "Lal-Chawal"; and

(b) if so, what are the details of such cases during 2003-04?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. One such case was detected during 2002-2003 in Mumbai where cigarettes were misdeclared as "GREEN MUNG BEANS".

(b) No such case was detected during 2003-2004.

Tax on Fixed Deposits of NRIs

†731. SHRI RAVI SHANKAR PRASAD: Will the Minister of FINANCE be pleased to refer to answer to Starred Question 29 given in the Rajya Sabha on 6th July, 2004 and state:

(a) whether Government have studied the recommendation of Reserve Bank of India regarding taxing of fixed deposits of migrant Indians; and

(b) if so, the decisions taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. The Internal Group on External Liabilities of Scheduled Commercial Banks, in its report submitted in April 2004, has stated that in view of the comfortable forex reserves and improved inflows of NRI deposits, there is no need to give tax benefits for non-resident deposit schemes. Accordingly in the budget for 2004-05 it has been proposed to withdraw this tax exemption.

Disinvestment policy

732. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have formulated new disinvestment policy recently;

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†Original notice of the question was received in Hindi.